

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1623 – HB 1981

March 29, 2018

**SUMMARY OF ORIGINAL BILL:** Requires the Department of Education (DOE) to discontinue use of a readiness assessment if problems occurred during administration or grading of a test that resulted in students not receiving test scores.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – To the extent any readiness assessment is incorrectly administered by a local education agency (LEA), there may be a mandatory increase in local expenditures for the applicable LEA. The extent and timing of any such impacts cannot be determined for such impacts are dependent upon unknown factors.\*

**SUMMARY OF AMENDMENT (016234):** Deletes all language after the enacting clause. Requires, in the event of an irregularity during an 11<sup>th</sup> grade assessment administration, an incident report on the irregularity be provided to the DOE and the LEA(s). Requires a refund for an assessment where a score was not reportable. Requires the assessment provider to notify students within 30 days of discovery of a misadministration and give the test taker an opportunity to take the test at a later date at no charge.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

**Other Fiscal Impact – To the extent an assessment irregularity occurs, there will be a decrease in local expenditures exceeding \$21,300 per instance relative to the first administration of the irregular assessment, or an increase in local revenue exceeding \$21,300 per instance relative to the second administration of the irregular assessment. The timing of any such impacts cannot be determined for they are dependent upon future unknown events.**

Assumptions for the bill as amended:

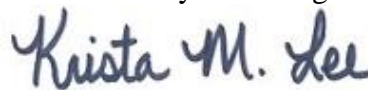
- Under current law, pursuant to Tenn. Code Annotated § 49-6-6001(b), students in 11<sup>th</sup> grade must take an assessment to assess readiness for postsecondary education.

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- Funding for students to take the ACT the first time is included in the basic education program (BEP) formula.
- A second opportunity is paid for through a state contract with ACT.
- The language of the legislation requires repayment to be made to the LEA where misadministration occurred.
- In either case, in the event of an irregularity, ACT would be required to repay the LEA.
- The cost of the ACT is \$42.50 per test.
- In the event that a misadministration occurs, and students are unable to receive a score, it is assumed that at least 500 11<sup>th</sup> grade students would be affected.
- This will result in a decrease in local expenditures exceeding \$21,250 per instance (500 x \$42.50) if the misadministration occurs during the first administration, or an increase in local revenue exceeding \$21,250 per instance, if the misadministration occurs during a second administration of the test as these costs are paid through the state contract.
- The fiscal impact above relies on the existence of irregularities which would trigger the provisions of the legislation, as well as on which attempt the misadministration occurs; the timing and extent of such irregularities is unknown, therefore, a precise fiscal impact cannot reasonably be determined.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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